

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES
PRIORITY MAIL EXPRESS & PRIORITY MAIL
CONTRACT 96 (MC2019-173)
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2019-195

**USPS NOTICE OF AMENDMENT TO
PRIORITY MAIL EXPRESS & PRIORITY MAIL CONTRACT 96,
FILED UNDER SEAL
(February 18, 2020)**

The Postal Service hereby provides notice that the terms of Priority Mail Express & Priority Mail Contract 96, in the above-captioned proceeding, have changed as contemplated by the contract's terms. A redacted version of the amendment to Priority Mail Express & Priority Mail Contract 96 is provided in Attachment A, and the unredacted amendment is being filed under seal. The amendment will become effective two business days following the day that the Commission completes its review of this filing.

The Postal Service is also filing supporting financial documentation and a certified statement as required by 39 C.F.R. § 3015.5. The certified statement required by 39 C.F.R. § 3015.5(c)(2) is provided in Attachment B. A redacted version of the supporting financial documentation is included with this filing as a separate Excel file. The Postal Service's original application for non-public treatment in this docket is hereby incorporated by reference for the protection of these materials.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:

Sean C. Robinson

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February 18, 2020

ATTACHMENT A

REDACTED AMENDMENT TO PRIORITY MAIL EXPRESS & PRIORITY MAIL

CONTRACT 96

AMENDMENT #1
OF
SHIPPING SERVICES CONTRACT
BETWEEN
THE UNITED STATES POSTAL SERVICE
AND



REGARDING
PRIORITY MAIL EXPRESS
AND
PRIORITY MAIL SERVICE

WHEREAS, the United States Postal Service (“the Postal Service”) and [REDACTED] (“Customer”) entered into a Shipping Services Contract regarding Priority Mail Express and Priority Mail Service, PME-PM Contract 96, Docket No. CP2019-195, on July 19, 2019.

WHEREAS, the Parties desire to amend the terms in Section I.B, I.C, I.I, and add Tables 1a and D to the Contract.

NOW, THEREFORE, the Parties agree that the contract is hereby amended as detailed below. The existing contract remains unchanged in all other respects. This amendment shall become effective two (2) business days following the day on which the Commission issues all necessary regulatory approval.

[Replace Section I.B, I.C, I.I, and add Tables 1a and D as follows.]

I. Terms

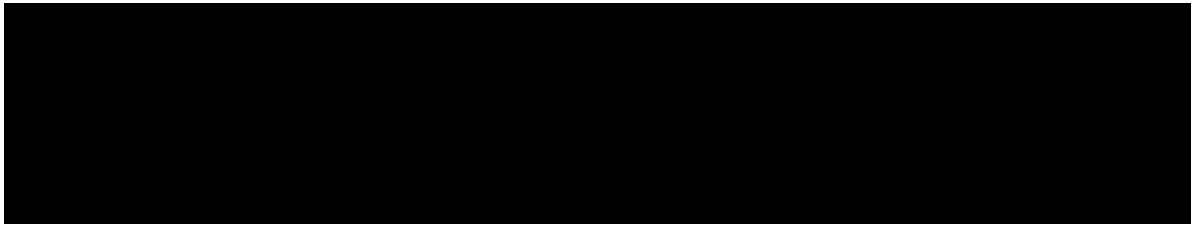
B. This Contract applies to Customer’s inbound and outbound packages (collectively “Contract Packages”), as follows:

1. Priority Mail Express (“PME”) weight based packages that do not exceed [REDACTED];
2. Priority Mail (“PM”) weight based packages and Priority Mail Open & Distribute (“PMOD”) packages that do not exceed [REDACTED].

Contract Packages that meet any of the following criteria are not eligible for Contract Pricing:

- The origin of the package is from a ZIP Code listed in Table 1a below; or
- The destination of the package is addressed to a ZIP Code listed in Table 1a;

- or
- The origin of the package is from a ZIP Code listed in Table 1a and the package addressed to a ZIP Code listed in Table 1a.



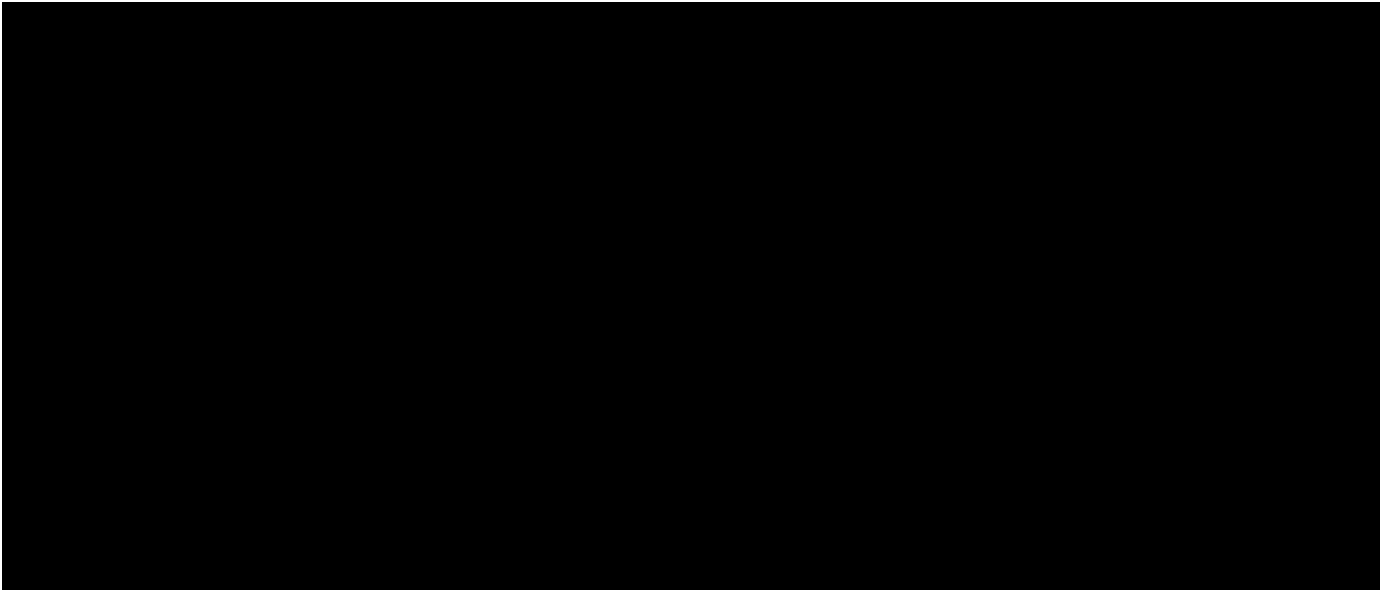
The ZIP Codes listed in Table 1a may be modified by the Parties from time to time by written mutual agreement.

Customer expressly commits to not offer, sell, or allow the use of Contract Pricing provided in this Contract to any other entity or party (i.e. “reselling”). Customer shall not extend pricing to a third party under this Contract, including commercial published pricing for the products defined in Section I.B, or any prices below commercial published pricing. For the avoidance of doubt, a violation of this section will constitute a material breach of this Contract. This requirement may be waived in writing by the Postal Service, expressly for the limited purpose of Customer’s dropshipping activities.

- C. Customer will manifest Contract Packages as specified by the Postal Service, using a separate permit number and/or PC Postage account to ship such packages, and will use the Electronic Verification System (“eVS”), other USPS approved manifest systems, or USPS approved PC Postage vendors for payment of such packages. The Parties have mutually agreed to specific shipping locations from where Contract Packages must originate, along with the associated Customer Registration ID, Mailer ID and Payment Method information required for each shipping location provided that dropshipping, as may be approved by the Postal Service, may originate from other locations. Contract pricing for any newly approved permits and/or PC Postage accounts will be effective within fifteen (15) business days after the Postal Service receives written notification from Customer. Only Contract Packages, and Customer’s other Priority Mail Express and Priority Mail packages (collectively, “Total Packages”) shipped from authorized permits and/or PC Postage accounts and from the specific shipping locations agreed to by the Parties shall count toward the volume commitment in Section I.E.2 with Table B.
- I. Signature Services. Customer will pay the prevailing published fees for Signature Confirmation less the discounts in Table D below, throughout the term of the Contract, for Customer’s Priority Mail Contract Packages. Customer will also pay the prevailing published fees for Adult Signature Service less the discounts in Table D below, throughout the term of the Contract, for Customer’s Priority Mail Express and Priority Mail Contract Packages. Additionally, Customer will be eligible for

Adult Signature Service for 18 & Over on Customer's Priority Mail Express and Priority Mail Contract Packages, as follows:

1. Adult Signature Required Service for 18 & Over. Customer shall pay the prevailing published rate for Adult Signature Required service, [REDACTED] per Contract Package requested, throughout the term of the Contract. Under this Contract, this service shall require the signature of anyone 18 years of age or older at the recipient address.
2. Adult Signature Restricted Delivery Service for 18 & Over. Customer will pay the prevailing published rate for Adult Signature Restricted Delivery service, [REDACTED] per Contract Package requested, throughout the term of the Contract. Under this Contract, this service shall require the signature of the addressee (natural person) only, who must be 18 years of age or older.



IN WITNESS WHEREOF, the Parties hereto have caused this amendment to be duly executed as of the later date below:

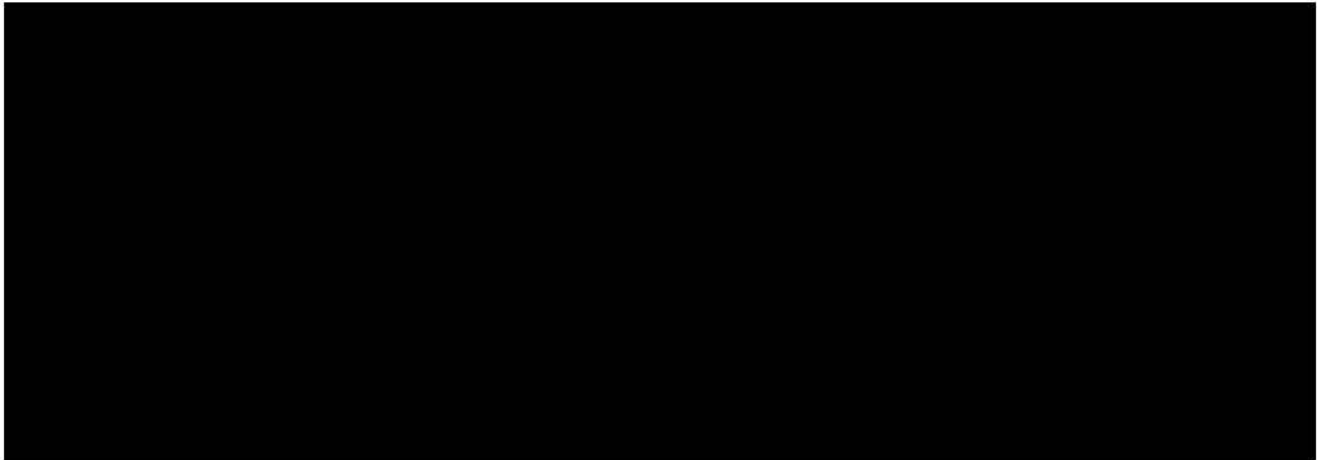
UNITED STATES POSTAL SERVICE

Signed by:  2B95E1CA9FF2448...

Printed Name: Timothy Costello

Title: A Vice President Sales

Date: 11/25/2019



ATTACHMENT B
SIGNED CERTIFICATION

**Certification of Prices for Amendment to
Priority Mail Express & Priority Mail Contract 96**

I, Nan K. McKenzie, Manager, Pricing Innovation, Finance Department, am familiar with the prices and terms for the amendment to Priority Mail Express & Priority Mail Contract 96. The amended prices and terms contained in this Contract were established by the Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Domestic Competitive Agreements, Outbound International Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates (Governors' Decision No. 19-1).

I hereby certify, based on the financial analysis provided herewith, that the amended prices are in compliance with 39 U.S.C § 3633 (a)(1), (2), and (3). They are expected to cover attributable costs. There should therefore be no subsidization of competitive products by market dominant products. The amended contract should not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.

Nan K.
McKenzie

Nan K. McKenzie

Digitally signed by Nan K. McKenzie
DN: cn=Nan K. McKenzie, o,
ou=Manager, Pricing Innovation,
email=nan.k.mckenzie@usps.gov,
c=US
Date: 2020.02.18 14:17:25 -05'00'